

## **UTAH APPRAISER LICENSING AND CERTIFICATION BOARD**

Heber M. Wells Building

Room 210

9:00 a.m.

April 25, 2012

### **MINUTES**

#### **STAFF MEMEBERS PRESENT:**

Jonathan Stewart, Division Director  
Mark Fagergren, Education and Licensing Manager  
Kent Nelson, Chief Investigator  
Xanna Hardman, Assistant Attorney General  
Jennie Jonsson, Hearing Officer  
Jill Childs, Assistant Board Secretary  
Craig Livingston, Investigator  
Carla Westbroek, Appraiser Licensing

#### **BOARD MEMBERS PRESENT:**

Craig Morley, Chair  
Paul W. Throndsen, Vice Chair  
Debra Sjoblom, Board Member  
Jeanette Payne, Board Member  
Daniel Brammer, Board Member

#### **GUESTS:**

Carol Howell	Chris Donaldson
Jim Wells	Austin Christensen
Neil Jensen	Kathy Johnson
Vern Meyer	Jared Preisler

The April 25, 2012 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Morley conducting.

### **PLANNING AND ADMINISTRATIVE MATTERS**

Ms. Christensen is excused today and Ms. Childs will be acting as Board Secretary.

Approval of Minutes -. A motion was made to approve the minutes from the March 28, 2012 meeting. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes.

### **DIVISION REPORT**

#### **DIRECTOR'S REPORT – Jonathan Stewart**

Director Stewart announced the Division has a new Chief Investigator. This will be Mr. Nelson's last meeting with the Board. He will be returning to Consumer Protection on Monday, April 30, 2012. Director Stewart thanked Mr. Nelson for his work with the

Division. The new Chief Investigator is Jeffery Nielsen and he has been an investigator with the Division of Securities for approximately six years. He brings to the Division experience with criminal investigations.

While on Caravan, Director Stewart was asked a question about an AMC issue. Apparently, some AMCs are asking appraisers to sign a waiver in order to get an assignment. In the waiver, the appraiser acknowledges that the fee being paid is reasonable and customary. Ms. Jonsson said that the issue has come up before and there is not a rule against this, but it does not satisfy either presumption under Dodd-Frank, nor does it waive the AMC's duty and obligation to satisfy the presumption if the fees are challenged. The Division will look at the presumptions that are outlined in the Dodd-Frank Act.

The bonding issue is scheduled to be discussed today. The statute does say that the minimum bond must be at least \$25,000. Director Stewart has opened up the discussion to the Board, Division, and those present from the public today.

The only comment Director Stewart received prior to the meeting today was from Austin Christensen. He asked the question about where an AMC is supposed to get the money to establish a reserve of six months worth of appraiser fees. Larger companies would be able to do this, but medium and smaller companies would really struggle.

Director Stewart said bonding wasn't an idea from the Division. He asked what the bonding requirements were in other states. The answer was \$25,000 was a typical amount.

Jared Preisler, of the UAA, handed out a packet of information regarding bonding in other states, and has written a list of suggestions regarding bonding. Most companies will be required to pay between 1% and 3% of the bond amount, depending on their credit worthiness. The average premium for a \$25,000 bond would be \$250 per year for someone with good credit. The UAA suggested that the bond cover both the appraiser and the Division.

A question was asked from the public to the UAA representative as to what the reason was behind this legislation? The answer was that a larger, national AMC went out of business, defaulting on \$1.2 to \$2 million worth of appraisal fees that were collected from their clients, but not paid to the appraisers. The company then filed for bankruptcy.

The UAA didn't feel it was necessary to have a fiscal tag added to the legislation, because enforcing the bond requirement could be incorporated into at the renewal process. Mr. Fagergren commented by saying the Division has had experience with bonding requirements for the mortgage industry. There is a huge amount of paper shuffling, and the Division became a middle-man in going after licensees to keep their bonds current. He would suggest that if the Division affects bonding rules, there be a requirement that the bond endure for the full two-year licensing period. Mr. Fagergren noted that the mortgage bonds didn't protect people as they thought it should.

A committee will work together to draft suggestions and language for next month's meeting, and send the a proposed draft to Ms. Jonsson. Those on the committee are: Board Member Brammer, Austin Christensen, Jared Preisler, Neil Jensen, and Craig Livingston. It was suggested to reserve a seat on the committee for a member of the Appraisal Institute as well.

#### INVESTIGATIONS REPORT – Kent Nelson

Mr. Nelson reported in March the Division received 16 complaints; opened 10 cases; closed 15 cases; leaving the number of open appraiser cases at 62.

There are no stipulations to review today.

Ms. Hardman informed the Board that the meeting in June will be a long meeting. There are currently two disciplinary actions scheduled for that day, and the meeting will be expected to last all day.

#### EDUCATION AND LICENSING REPORT – Mark Fagergren

The statistics show the number of appraisers dropped slightly in March.

The Division's Caravan has covered Provo, Logan, and tomorrow the presentation will be in Park City.

Mr. Fagergren said the Division received good feedback regarding Chair Morley's article in the Division newsletter that went out at the end of March.

The Live Chat feature is still receiving quite a lot of traffic, and it has been a great source of help and information to those who use it.

Mr. Fagergren submitted the following lists to the Board for their review:

#### Certified and Licensed Appraiser Applicants Approved by both Education and Experience Review Committees:

D. Christian Malmrose, CG Candidate

Levi West, CG Candidate

#### Discipline List for Board's Consideration

Christopher Betcher

James Letz

#### COMMISSION AND INDUSTRY ISSUES

##### Rule Updates – Jennie Jonsson

There are no rule updates in appraisal. In appraisal management we have out for public comment a section to be added to the rules, R162-2e-402, outlining administrative procedures for any issue that is brought before the Board in an application or disciplinary proceeding. This replicates the rules currently in place for the

appraisal industry. The public comment period closes on May 1, 2012. At this point, there have been no public comments. The motion was made to approve the rule subject to receiving any comments from the public. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Brammer, yes; Board Member Sjoblom, yes; Board Member Payne, yes. The motion carries.

#### **OPEN TO PUBLIC**

#### **INFORMAL HEARING**

10:00 Scott Wills – Disciplinary Hearing  
Mr. Wills did not appear or contact the Division.

#### **CLOSED TO PUBLIC**

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes. Motion carries. An Executive Session was held from 10:40 a.m. to 11:20 a.m.

#### **OPEN TO PUBLIC**

#### **RESULTS OF DELIBERATIONS**

Certified and Licensed Appraiser Applicants Approved by both Education and Experience Review Committees:

D. Christian Malmrose, CG Candidate - Approved  
Levi West, CG Candidate - Approved

#### **Discipline List for Board's Consideration**

Christopher Betcher - Approved

A motion was made to adjourn the meeting. Vote: Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes. Motion carries. The meeting adjourned at 11:20 p.m.